

# IMPORTANT NOTICE FOR PUGET SOUND ENERGY CUSTOMERS ABOUT PROPOSED RATE CHANGES

Puget Sound Energy on Oct. 31, 2011 filed a request with the Washington Utilities and Transportation Commission (UTC) for a change to the pass-through of the federal income tax benefits derived from PSE's investments in the utility-owned and operated Hopkins Ridge and Wild Horse wind facilities. This income tax benefit, listed on PSE electric bills as the "Federal Wind Power Credit," is passed through in its entirety to PSE electric-service customers, and adjusted annually to correspond with the actual energy output of the two wind facilities. **PSE has requested that the UTC approve the change in the credit to be effective on Jan. 1, 2012.**

For the typical residential customer using 1,000 kilowatts (kWh) per month, this adjustment results in a 21-cent-per-month, or 0.22 (22 one-hundredths of 1 percent) rate increase in the monthly bill. The increase is due to a reduction of the credit. The overall average change for all customer groups is:

<b>RATE SCHEDULE GROUP</b>	<b>PERCENT INCREASE</b>
Residential—Schedule 7 .....	0.21
Secondary Voltage General—Schedules 24, 25, 26 and 29 .....	0.21
Outdoor Lighting—Schedules 50-59 .....	0.08
Primary Voltage General—Schedules 31, 35, 43 .....	0.18
Campus Rate—Schedule 40 .....	0.41
High Voltage General—Schedules 46, 49 .....	0.33
Choice/Retail Wheeling—Schedules 449, 459 .....	0.00

In addition to the proposed rate adjustment from the pass-through of the federal income tax benefits of the Federal Wind Power Credit, PSE has proposed that the Merger Credit listed on electric and natural gas bills change effective Jan. 1, 2012. The amount of the Merger Credit will be lowered slightly since the credit will be shared by a greater number of customers in 2012. The Merger Credit was established in February 2009.

Also on Jan. 1, the Regulatory Asset Tracker charge shown on your bill will be cancelled. The combined effect of all three rate changes for the typical residential customer using 1,000 kWh of electricity per month is an approximate \$2.24, or 2.26 percent, decrease in the monthly bill, effective Jan. 1, 2012.

The UTC has the authority to set final rates different from the request, either higher or lower depending on the results of their investigation. PSE customers may submit comments on this proposal by mailing, faxing or e-mailing your comments to the UTC at: UTC, P.O. Box 47250, Olympia, WA 98504-7250; or by e-mail at: [comments@utc.wa.gov](mailto:comments@utc.wa.gov); or by fax at: 360-664-4291. For more information, see [www.utc.wa.gov](http://www.utc.wa.gov) or call 1-888-333-9882. If you write, include your name and mailing address, and the name of the company (PSE) and a description of the filing.

The public is represented by the Public Counsel Section of the Washington State Attorney General. You can write to: Public Counsel Assistant Attorney General, 800 5th Avenue, Suite 2000, Seattle, WA 98104-3188, or by e-mail at [utility@atg.wa.gov](mailto:utility@atg.wa.gov).

If you have questions or comments for PSE about this proposal, you may submit them by mailing, e-mailing, or calling PSE at: Attn: Customer Service, P.O. Box 90868, Bellevue, WA 98009-0868; by e-mail at [customer@pse.com](mailto:customer@pse.com); or by telephone at: 1-888-225-5773. Additional information about pending filings is available at [www.pse.com/insidePSE/RateREGInformation.aspx](http://www.pse.com/insidePSE/RateREGInformation.aspx).